

ORANGE UNIFIED SCHOOL DISTRICT



Budget Update with Governor's Proposal for 2016-17 Budget

February 18, 2016





Presentation Overview

- Multi-Year Projections – 1st Interim Report
- Governor's Proposal for 2016-17 Budget
- Funding under the Local Control Funding Formula (LCFF)
- Budgetary Building Blocks for 2nd Interim Report
- Multi-Year Projections: 2nd Interim and Preliminary May Budget
- Next Steps



Multi-Year Projections – 1st Interim Reports

	2015-16	2016-17	2017-18
TOTAL REVENUES	273,144,200	254,938,015	257,671,682
EXPENDITURES	268,686,475	268,833,377	278,554,671
<i>Board Discretionary (One-Time Revenues for One-Time Exp.)</i>	<i>13,915,268</i>	<i>0</i>	<i>0</i>
TOTAL EXPENDITURES AS ADJUSTED	282,601,743	268,833,377	278,554,671
Increase (Decrease) Fund Balance	(9,457,543)	(13,895,362)	(20,882,989)
Beginning Balance	79,969,753	70,512,210	56,616,848
Projected Ending Balance (June 30)	70,512,210	56,616,848	35,733,859
Adjustments to Ending Fund Balance			
Stores, Revolving Cash, and Carry Over	(4,049,340)	(4,220,883)	(334,295)
Reserve for Economic Uncertainties (3%)	(8,478,053)	(8,065,001)	(8,356,640)
Unappropriated Fund Balance	57,984,817	44,330,964	27,042,924

Notes:

- Successful agreement with Bargaining Units
- Additional decline in enrollment



Governor's Proposal for 2016-17 Budget

- Budget proposes \$2.8 billion for continued implementation of the LCFF
 - Equates to a gap funding rate of 49.08%
 - Brings districts to 95% of full implementation target
 - \$6M of additional funds for 2016-17:

● Base	\$4,026,528
● Supplemental	\$1,597,064
● CSR	\$ 298,522
● CTE	\$ 94,855



Governor's Proposal for 2016-17 Budget

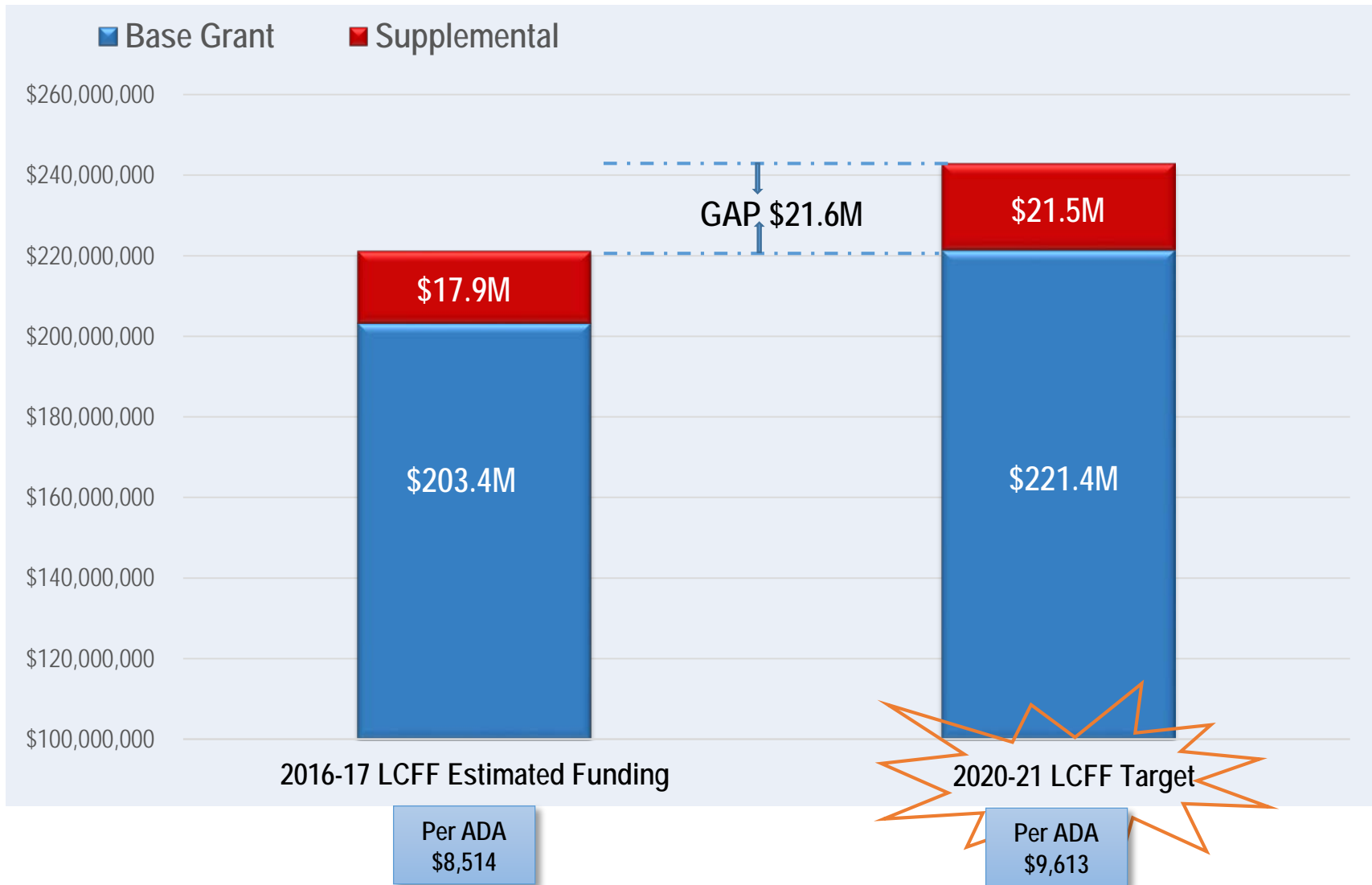
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- \$1.2 billion for discretionary one-time uses
 - \$5,541,243 for OUSD
- 0.47% COLA
- Does not include additional funding for:
 - STRS and PERS contribution increases – \$3M





Funding Under LCFF





Budgetary Building Blocks for 2nd Interim Report

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■ Revenues:

- Local Control Funding Formula
 - Annual decline in enrollment of 250
 - Attendance Rate: 96.3%
- No additional one-time revenues

■ Expenditures:

- Outcome of Collective Bargaining Agreements approved in January
- Step and Column Increases
- Increases in STRS and PERS employer contribution rates
- Educator Effectiveness Expenditure Plan



Multi-Year Projections – 2nd Interim Report

	2015-16	2016-17	2017-18
TOTAL REVENUES	274,073,091	266,007,376	261,969,889
EXPENDITURES	276,405,914	273,041,470	282,539,795
<i>Board Discretionary (One-Time Rev. for One-Time Exp.)</i>	13,915,268	5,541,243	0
TOTAL EXPENDITURES AS ADJUSTED	290,321,182	278,582,713	282,539,795
INCREASE (DECREASE) IN FUND BALANCE	(16,248,091)	(12,575,337)	(20,569,906)
BEGINNING BALANCE	79,969,753	63,721,662	51,146,325
PROJECTED ENDING BALANCE	63,721,662	51,146,325	30,576,419
Adjustment to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(2,044,649)	(3,525,630)	(334,295)
3% State Required Contingency	(8,709,636)	(8,357,481)	(8,476,194)
Unappropriated Fund Balance Above 3%	52,967,377	39,263,214	21,765,930



Multi-Year Projections – Preliminary May Budget

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	2016-17	2017-18	2018-19
TOTAL REVENUES	266,007,376	261,969,889	264,968,564
EXPENDITURES	273,041,470	282,539,795	291,217,315
<i>Board Discretionary (One-Time Rev. for One-Time Exp.)</i>	<i>19,456,511</i>	<i>0</i>	<i>0</i>
TOTAL EXPENDITURES	292,497,981	282,539,795	291,217,315
INCREASE (DECREASE) IN FUND BALANCE	(26,490,605)	(20,569,906)	(26,248,751)
BEGINNING BALANCE	77,636,930	51,146,325	30,576,419
PROJECTED ENDING BALANCE	51,146,325	30,576,419	4,327,668
Adjustment to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(3,525,630)	(334,295)	(334,295)
3% State Required Contingency	(8,357,481)	(8,476,194)	(8,736,519)
Unappropriated Fund Balance Above 3%	39,263,214	21,765,930	(4,743,146)



Next Steps

■ Local level

- Second Interim Report due by March 15, 2016
- 2016-17 Budget and LCAP Public Hearing on May 26, 2016
- Adopt 2016-17 District Budget by June 30, 2016

■ State level

- Budget committee hearings
- Next update – May Revision

